SHRI S. JAIPAL REDDY: Madam, should I proceed with my business.

THE DEPUTY CHAIRMAN: Yes. Let us not go with the far-fetched ideas.

श्री चतुरानन मिश्र: मैडम, एक रिक्वेस्ट है कि यह भी रूलिंग आप दे दीजिए कि प्वाइंट आफ ऑर्डर ज्यादा टाइम लेगा या प्वाइंट आफ डिस-ऑर्डर ज्यादा टाइम लेगा?

उपसभापति: मिश्र जी, यह तो आप लोगों के सोचने की बात है, चेयर के सोचने की बात नहीं है, डिस-आर्डर चेयर तो क्रिएट नहीं करती है न। बोलिए मंत्री जी।

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

Regarding import of unprecedented quantity of urea by M.M.T.C. during 1994-95

SHRI S. JAIPAL REDDY (Andhra Pradesh): Madam Deputy Chairman, I call the attention of the Minister of Commerce to the import of unprecedented quantity of Urea by the MMTC during 1994-95.

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): Madam, before I make my statement...

SHRI S. JAIPAL REDDY: Copies.

THE DEPUTY CHAIRMAN: In the disorder, the copies were lost. Just one minute. We have lost a lot of time. I request the House that we dispense with the lunch hour and sit through the lunch hour.

SOME HON. MEMBERS: Yes.

SHRI P. CHIDAMBARAM: Madam, before I make my statement, I would like to say that I am grateful to Mr. Jaipal Reddy for calling my attention to this matter. I am also grateful to both Mr. Jaipal Reddy and you, Madam, for dropping the words "questionable methods" which was there in the original notice. But as the motion has been admitted, I assume that there is no such allegation.

SHRI S. JAIPAL REDDY: Kindly call the House to order.

THE DEPUTY CHAIRMAN: Who is in disorder?

SHRI P. CHIDAMBARAM: Madam Deputy Chairman, in February 1994, the Government of India authorised MMTC to import 15 lakh MT Urea by the end of September 1994. In August 1994, this authorisation was increased to 27.5 lakh MT for import in the fiscal year 1994-95. It was decided in October 1994 by Government of India that two other PSUs namely NFL and PPCL would also be authorised to import 3 lakh MTs of Urea by December 1994. The time period within which they could execute the imports was subsequently extended to March 1995. These two organisations did not succeed in bringing any quantity of Urea within the authorised time. MMTC was asked in February 1995 to make best efforts to import an additional 2.5 lakh MTs over and above 27.5 lakh MTs authorised earlier for arrival by the end of 31st March 1995. As against this overall target of 30 lakh MTs, MMTC successfully landed 28.81 lakh MTs by the 31st March 1995.

2. MMTC has effectively functioned as a canalising agency for fertilisers which need to be imported on Government account in the past also. In the present case, MMTC has executed Urea imports in 1994-95 within the quantity authorised by the Government of India. MMTC was able to make available the required quantity of urea needed for agricultural operations in the country.

MMTC did not use questionable methods to import urea. MMTC's procedures were transparent, equitable and fair and were in line with international practice. The procedures adopted were as follows:—

MMTC normally contracts for Urea through global tender/enquiry. Bidders are required to submit a bid bond US$ 1 per tonne for the quantity offered. Offers

4429/RS/95B

must be submitted directly in accordance with MMTC's standard terms and conditions. Successful bidders are required to furnish a bank guarantee for peformance of 3% of contract value within 10 days of placing of the order by MMTC. On receipt of acceptable bank guarantee for performance, MMTC establishes in irrevocable letter of credit in favour of the supplier. MMTC appoints independent inspection agencies to carry out inspection of material prior to despatch. Purchase decisions are made by a Sale Purchase Committee. Purchases are made either on FOB or C&F basis. In FOB contracts, vessels are nominated by Transchart, a chartering agency in the Ministry of Surface Transport. For C&F contracts, approval of Department of Fertiliser/Ministry of Surface Transport is obtained. In case of C&F contracts, Letter of Credit (L/C) incorporates a clause permitting payment only after the vessel has arrived in India.

As stated earlier, in October 1994, NFL and PPCL were allowed to import 3 lakhs MTs of Urea to augment overall availability. These companies issued tenders in October 1994 stipulating Earnest Money Deposit (EMD) of US$ 15,000 only (irrespective of the quantity offered) and a bank guarantee of 2% of contract value. Since the two competing agencies had stipulated terms which were at variance with the terms of the tender/enquiry floated by MMTC, MMTC was obliged to reconsider the matter and, upon such reconsideration, felt that it may also invite bids on the terms stipulated by NFL and PPCL. Hence, on 6.11.1994, MMTC floated global enquiry inviting bidders to submit bids with an EMD of US$ 15,000 and a bank guarantee for performance, where applicable, for 2% of the contract value. However, on opening the bids on 13.11.1994, it became clear that many bids received were suspect for a number of reasons, inter-alia, they were from new parties whose credentials were not known and for exaggerated quantities without any assurance of performance. In many cases the bidders were not even able to give the source or origin of the Urea.

After reviewing the experience of this enquiry and after due consideration, MMTC decided to revise the conditions relating to bid bond and stipulated that the bid bond shall be for US$ 1 per MT. Thereafter, all bids were required to be made on the revised terms.

The availability of urea during the relevant period was extremely tight. Besides, China, Vietnam and other countries had entered the market as major buyers. Prices in the market were on the rise. There was a tendency on the part of bidders to band together and make bids in consultation with each other. In such a situation, MMTC took a commercial decision to adopt a multi-pronged strategy to procure urea required for agricultural operations within the stipulated time frame. The multi-pronged strategy included procurement through global tender/enquiry; long term arrangements directly with the producers or their sole authorised representatives; and spot purchases made within bench marks established by the Sale Purchase Committee of MMTC, Procurement through these methods resulted in the following arrivals in 1994-95:—

(i) Through global tender/enquiry	10.20 lakh MT
(ii) Through long term arrangements with producers/their sole authorised representatives	14.86 lakh MT
(iii) Through spot purchases made within established bench marks	3.75 lakh MT
Total	28.81 lakh MTs

SHRI S. JAIPAL REDDY: Madam, my friend, our Minister, is one of our more decent, more intelligent, more articulate, Ministers. Keeping this impression of mine in view, I am surprised by the statement he has read out. It does not do full credit to his reputation. Madam, it did reveal some facts, but it

concealed more facts than it revealed. And what is more, the perspective has not been put properly. The MMTC had been the only canalising agency until October, 1994. Madam, this is the story of another scam. This Government, of course, is overwhelmed by a deluge of scandals. But I would like to narrate the story of this scam in simple terms. The MMTC was the canalising agency. He says in the statement that the Government wanted the MMTC to import 15 lakh tonnes by the end of September, 1994. The question remains whether the MMTC succeeded in getting the quantity landed by September, 1994. The MMTC, before August, had floated global tenders at least on three occasions. Why did they fail to award contracts during that period? Madam, the Minister should know that the requirement of Urea reaches its peak level in the country around August and the farmers in this country, during that period in 1994 suffered from a terrible shortage of Urea with the consequent disapperance of whatever Urea was available into the black market and other concomitant effects. Now, after having failed to import the required quantity in right time, they floated a global tender on 1.9.1994 for import of one lakh tonnes of Urea. What were the conditions? As has been mentioned by the Minister, the bid must be accompanied by a bid bond of one US dollar for every metric ton offered to be supplied. It was also to be backed by a three-per-cent performance guarantee bond.

SHRI P. CHIDAMBARAM: Later, after acceptance.

SHRI S. JAIPAL REDDY: Later. Okay. But it was one of the conditions.

Whithin one week of the finalisation of the bids which were filed in response to this tender floated on 1.9.1994, the MMTC took recourse to direct, private, selective negotiations with parties. I do not know the conditions under which new organisations like the NFL and PPCL were brought into the picture. The Minister made a mere reference to it. He did not throw light on the circumstances which compelled the Government to do so. This has been done for the first time. I also would like to know from the Minister whether the MMTC, at any time in the past, had contracted for the supply of Urea without reference to global tenders. To the best of my knowledge, it did not do that. I would like to know as to why the MMTC adopted this approach which is not only non-transparent, but also highly objectionable. Madam, the Minister tried to say that the Government wanted the MMTC to import 27 lakh tonnes of Urea sometimes in October. But, may I bring to his notice the fact that I have got a full list of the companies to which these contracts were awarded? There is one company—Ferrico—which received the order on 28.9.94. Then there are other companies like Shri Premji and Pharsam. All these companies received orders in September, without reference to global tenders, and the Government made an indent in October for importing a quantity of 27 lakh tonnes. But, how did the MMTC anticipate all this? Obviously, the MMTC was endowed with powers of clairvoyance. Madam, between middle of September to sometime in the first week of January, the MMTC awarded contract for supply of Urea to the tune of about 50 lakh tonnes. May be, they supplied much less than what they offered to supply. He is referring to the way these conditions were diluted by the NFL and the PPCL. But, the point is, before they entered the picture, the MMTC diluted the conditions. The MMTC diluted the condition of bid bond. If a party offered to supply two lakh tonnes, they were to make the payment of two lakh dollars. This condition was diluted to say that they could offer supply of two lakh tonnes and could only make payment of 15,000 dollars and this was done before the other organisations did it. Similarly, the performance guarantee also was diluted. The performance

guarantee was to be three per cent of the total value of the contract. It was reduced to two per cent. I wonder, why could'nt all these organisations, belonging to public sector, act together? Why did they compete with each other? Why, in their unhealthy or unholy competition, did they contribute to panic in the international market on account of which the price of Urea shot up? It is not correct to say that the price of Urea shot up only because China and other countries entered the market. The prices primarily shot up on account of the panic bids you were trying to go in for.

Madam, while dealing with the parties through private negotiations, the rates varied from party to party. There was no pattern observed. A party was given a certain rate in the morning. Another party was given a different rate in the evening and the Minister tried to give an impression through the statement that the Sale/Purchase Committee is omnipotent and omnisient. They, in their wisdom, will decide as to which are the parties to be given contracts. They also are to adopt transparent methods. The serious point I am trying to make is that they did global tenders with diluted conditions? My information is that no global tender was floated by the MMTC after diluting the conditions. Madam, this matter, I know, has also been brought to the notice of the Minister. The Minister did take some half-hearted, halting steps. Perhaps, he is still in two minds as to whether a scam took place; if so, about the quantum of the scam. He did order the transfer of few officials and he refused to mention the point here. you see, the Chairman of the MMTC, Mr. Mallick, was totally involved in all these operations and I do not know why some officials were transferred and Mr. Mallick was spared; why he is being treated with kid gloves.

SHRI P. CHIDAMBARAM: Mr. Reddy, I do not consider it fair to mention an officer by name when he is not in a position to defend himself. You are not making charges. You did not give any notice, of the charges. It is not fair to mention an officer by name and say all this. Will you please consider this?

SHRI S. JAIPAL REDDY: I have no objection to withdrawing the name but the official does not go undefended with such an able advocate as you, Mr. Chidambaram. I don't mind. I would say, the Chairman of the MMTC was fully involved in all these operations. Why is it that the Chairman of the MMTC is being treated with kid gloves. Madam, some of the other officials were transferred I saw it in a section of the press and the Minister has not indicated as to why he ordered the transfer; whether the transfers took place on their own; whether the MMTC did it on its own or whether the Minister initiated the process. Madam, I would like to know as to who makes the assessment about the actual need for the MMTC. Does the Agricultural Department do? Does it do this in consultation with the Minister of Chemicals and Fertilisers? If so, what was the assessment made? On what basis was the assessment made? And then, why did the MMTC fail to import the time? And if ultimately they got only 30 lakh tones, why did they have to award a contract for supply of 80 lakh tonnes during 1994 or 1995? In all, duirng the fiscal year of 1994-95 they awarded contracts for supply of 80 lakh tones of urea?

SHRI P. CHIDAMBARAM: 80 lakhs?

SHRI S. JAIPAL REDDY: I have ssen your figures. You said, "No. Ultimately 30 lakh tonnes landed in the country." It may be entirely correct. I know during 1993-94 the MMTC got only 28 lakh tonnes. I would like to know as to what was the total quantum which it had ordered during 1993-94. If against 80 lakh tonnes, for which order was placed, only 30 lakh tonnes could be obtained during 1994-95, what was the comparative case of 1993-94? And if there is a huge difference between these two processes,

how is the diference to be explained? Madam, I do not think the MMTC could do this on its own. Our PSUs, being what they are, are not independent enough to get into scandals on their own. They normally enjoy generous patronage and blessings of the powers that be. And these aspects also need to be looked into. I do not know whether the present Minister will be able to do that without fear or favour. I am sure he is not afraid but then he cannot be above showing favour ..*(Interruptions)*... Not favours to parties but a favour to colleagues in the party and elsewhere. That is the point I am trying to make. To bring out all facts these political connections also need to be examined. Therefore, I would appeal to the Minister to agree to an inquiry into the whole transaction by a House Committee or to entrust the matter, Through this House, to the public 1 P.M. Undertakings Committee. If the Minister is very confident about the facts, I am sure, he will not hesitate to do this. Thanking you.

SHRI GURUDAS DAS GUPTA (West Bengal): Madam, it is ony a pointer to the fact that events are repeating themselves. When we had been discussing the power projects we came across some examples where orders were placed or contracts were awarded without floating global tenders. In the case of Enron, in the case of a number of leading projects the Ministry of power under the able leadership of the present Minister has taken a decision. They have their own arguement. In the case of the Ministry of Mines, we have come across that contracts for development of a number of leading mines in the country are being awarded without floating global tenders. Now we come across a specific example of an import contract being awarded without floating global tenders. Now the Ministers do have their explanation. The Government can always explain away the violation. There is a continuous violation of normal norms by different Government departments. The basic question is: Will the Government take steps to prevent this or will this be sought to be defended by the Government? Whenever a contract is awarded without floating global tenders, there is a suspicion and the suspicion is that favour is being shown, maybe by the Minister, maybe by a Government official, maybe by a power broker or may be by an important politician. The suspicion is not without foundation. Let us not enlarge the area of discussion. The suspicion is not without foundation. This House, within a span of a limited period, has been able to discuss a number of serious irregularities involving different departments. Now, what is the protection? The Minister is there to explain that since the market was tight, since the price was increasing, since the international suppliers werer ganging up and since the MMTC had failed, they had to do it under duress. That is always the set pattern of explanation. How do you tackle the situation?

[The Vice-Chairman (Shrimati Kamla Sinha) *in the Chair]*

Madam, the second question is this. There was a sudden spurt in the demand for urea and it was well known that there was going to be an increase in the domestic demand. The Government was aware of it. Therefore, why was not forward planning made? Everything is done on the basis of exigency. Why was no forward planning made? Why? The failure of MMTC is instantaneously taken as a ground for awarding the contracts without floating global tenders. Why was no forward planning made?

Thirdly, the Government clearly comes across examples of irregularities. However, on opening the bids why does it give such innocuous explanations? The Government must say why it has happened. The Government is not here to narrate incident after incident. We would like the Government to tell us why it has happened. Who is responsible?

Suddenly it downs on the Minister, after the bids were opened, that there have been a number of irregularities. Why has it happened?

You owe an explanation. Why did it happen? Since it happened, what action have you taken? It is a narration of incidents. But there is a total absence of remedial measures. We can understand that it has happened. But what action has the Government taken in order to ensure that there irregularities do not occur in future? It is not that there is no lapse. The thing is, the Government has to take action to ensure that the lapses do not recur. The hon. Minister is mysteriously silent. What is the safeguard for the future? Madam, this irregularity takes us to another aspect of the problem. Why have we to import so large a quantity of urea? What is our domestic produciton? We are compelled to import a huge quantity of urea not because the domestic production has not picked up but because the domestic demand has picked up. This divergence between the deomestic production and the domestic demand gives ample scope for manipulators to play their game. Why is this divergence? Madam, I would like to remind you that at a time when the country is running short of urea, not less than eight units are closed. The money that we are spending, the foreign exchange that we are spending on import of urea, the irregularities that are creeping in, this situation could have been encountered if the domestic production had picked up. There is no permanent planning and the Government has no eye on the improvement of domestic production. Does liberalisation mean closing down of the units and embarking on irresponsible plan of import and draining out foreign exchange reserves? It is not only for the Ministry of Commerce. It is for the Ministry of Agriculture and it is for the Government as a whole. I wish the Minister would tell the House frankly what action the Government proposes to take to ensure that this irregularity is not repeated. Secondly, what action is he going to take against the delinquent officials? Madam, this country is known for lack of accountability.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Mr. gupta, kindly conclude. We have to conclude this discussion before lunch hour.

SHRI S. JAIPAL REDDY: Madam, lunch hour has ben dispensed with.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): of course, that is up to you.

SHRI GURUDAS DAS GUPTA: Therefore, the Minister must tell us as to what steps he would like to take to establish the principle of accountability, at least, in this specific case. Thirdly, the Minister must tell us what steps the Government proposes to take so that the domestic production can be augmented because in future the demand for urea is going to rise in India and the international demand will also rise. Therefore, the country may face the same situation again. What is the permanent remedy? I wish the hon. Minister would enlighten the House on these three important points. Thank you.

SHRI DIPANKAR MUKHERJEE (West Bengal): Madam, I feel aggrieved whenever there is a talk of fertilizer. I have been associated with the fertilizer industry for 15 years. When I see all these things, my heart bleeds. I will put only five queries to the hon. Minister knowing full-well that the whole thing is not associated with the Ministry of Commerce alone. To some extent, the Minister has brought out the facts. he has mentioned that two PSUs, i.e. NFL and PPCL, were authorised to import 3 lakh MT of urea and other Ministries were also involved. My first question is: What were the compelling reasons for directing these fertilizer companies to import urea when the MMTC was doing it? He says that these two organisations did not succeed in bringing the required quantity

of urea within the authorised time. Now, this is the crux of the question. Why did they not succeed? Did he analyse the reasons as to why these PSUs could not bring in the urea? Is he aware of it? My next question. While allowing the PPCL and the NFL to import urea, the Government debarred them from contacting the traditional suppliers to the MMTC. Is this correct? The next thing is regarding the prices at which we were buying urea from outside. Is it not a fact that after these companies started attempting to buy urea, it came out that the MMTC was all the time buying urea at a higher price? Is it not a fact that in the recent tender, the PPCL and the NFL had finalised procurement of urea at 203 US dollars per metric ton on C&F basis and 186 to 190 dollars per metric ton on FOB basis? What has been the record of the MMTC on this account, so far? Is it a fact that the Government has set some guidelines regarding import of urea on the FOB and the C&F basis? The Ministry had made it sort of open, as far as I know. If I am wrong, I may be corrected. It was said that it should be imported on the FOB

basis and what the advantages are in doing so, I think the Minister will be in a position to explain. Is it a fact that this has not been done by the MMTC? Is it a fact that the suppliers who were prepared to supply urea to these fertilizer companies at a lower price than the MMTC, all of a sudden backed out? Now, you have said in your statement that they are not reliable. But there is an allegation that there was arm twisting by the MMTC. It is a vague allegation. But I can give specific reasons and it does not look as if the suppliers ran away. So far as the PPCL is concerned, I am having the figures and if I am wrong, I may be corrected the suppliers deposited Rs. 5.6 crores against the Earnest Money Deposit and the Performance Guarantee. Now Rs. 5.6 crores have been surrendered. They did not supply urea. What are the reasons? Has the Government analysed as to why these suppliers after having deposited Rs.5.6 crores with the company all of a sudden decided to walk out, surrendering Rs. 5.6 crores? Has this been analysed by the Government? The other Ministry is also involved. Crores of rupees are involved. There is difference in the price at which the MMTC was procuring urea and the price at which the two public sector companies were being offered urea. What is the total money involved? Madam I also understand that the hon. Minister is a member of a group of Minister appointed for reviving sick public sector companies. About three years back we had made a proposal for getting 11 lakh tonnes of urea per year at Rs. 400 crores from two sick P.S.U.s in fertilizer sector. That was not accepted because of resource crunch. Right now the Fertilizer Ministry wants Rs. 2.000 crores for getting 24 lakh tonnes of urea per year through revival of sick units. How much money is being spent on subsidy? The subsidy on imported urea has increased. I think it is Rs. 1550 to Rs. 1600 crores. Now, once the price of imported urea is high the subsidy is also high. What is the total amount involved? I think with that money we could have revived these fertilizer units. I fully agree with Mr. Jaipal Reddy. I think the hon. Minister will also agree with me. As it concerns two Ministries it would be better if an impartial enquiry is instituted and the whole thing is revealed before the House.

श्री सुन्दर सिंह भंडारी (राजस्थान): उपसभाध्यक्ष महोदया, खाद नीति के बारे में जो चर्चा उठाई गई है, उसका एक महत्वपूर्ण पहलू जो यहां यूरिया मंगाया गया और जिसको समझाने का मंत्री महोदय ने प्रयत्न किया है, उसमें कितने उतार-चढ़ाव आए, यह एक जांच का विषय है। कहां-कहां पर किन-किन अधिकारियों के द्वारा अपने कर्तव्य का पालन न करने की वजह से देश को घाटा हुआ है, ऊंची कीमतें देनी पड़ी हैं, यह एक ऐसा विषय है कि मंत्री महोदय उस पर जांच करांएगे और संबंधित अधिकारियों को इसका दंड मिलेगा, तभी भविष्य में इस प्रकार की देश को नुकसान पहुंचाने वाली नीतियों को रोका जा सकता है। दो-तीन मित्रों ने क्योंकि इस विषय पर प्रकाश डाला है, मैं उस में जाने का प्रयत्न नहीं

करूंगा लेकिन यह संयोग है कि कृषि मंत्री जी अभी यहां मौजूद है और इस कारण से खाद का जो आयात बढ़ा है पिछले सालों में यह एक नीति का परिणाम है।

श्री ईश दत्त यादव: कृषि मंत्री नहीं है।

श्री सुन्दर सिंह भंडारी: हां, उद्योग मंत्री, माफ करिए।

श्री ईश दत्त यादव (उत्तर प्रदेश): उद्योग मंत्री भी नहीं है।

श्री सुन्दर सिंह भंडारी: खाद मंत्री हैं और ये संबंध है इन सब चीजों का।

श्री ईश दत्त यादव: सिर्फ फाइनेंस मिनिस्टर हैं, वित्त मंत्री हैं।

श्री सुन्दर सिंह भंडारी: हां, मिला-जुला संबंध है सबका। सवाल यह है कि जो खाद की नीति हमने यहां तय की थी, उसमें से हमारी विदेशों पर निर्भरता में कमी आई है या नहीं आई है? हम यहां पर खाद का उत्पादन बढ़ा नहीं सके और उसी का नतीजा है कि इम्पोर्ट बढ़ता जा रहा है और उसका परिणाम हमारी विदेशी मुद्रा पर हुआ है। इम्बैलेंस भी पैदा हुआ है इसके उपयोग में, यहां के आर्थिक जगत की अन्य नीतियों के कारण और विशेषकार यूरिया पर जो हमने सबसिडी दी है उसकी वजह से। सब प्रकार के केमिकल्स और फॉस्फेट्स का मिश्रण हो कर जो इसका उपयोग होना चाहिए, उसका अनुपात बिगड़ा है और इसकी वजह से जमीन की उर्वरा शक्ति की हानि हो रही है। मेरा ऐसा आग्रह है कि खाद के इम्पोर्ट की नीति, यहां पर इसके उपयोग की व्यवस्था और कुल मिलाकर जो हम किसानों की सही मदद करना चाहते हैं, इसके उपयोग और उत्पादकता पर, इन तीनों चीजों को मिल कर इस नीति का निर्धारण होना चाहिए।

मैं पहले ही इस बात को कह चुका हूं कि अगर यह आयात होता है तो आयात के मार्ग में ट्रांसपेरेंसी रखी जाए। लोगों को कम से कम संदेह करने का मौका मिले। जहां की सबसिडी की पॉलिसी भी इस आधार पर निर्धारित की जाए। केवल यूरिया पर ही सब जोर देकर इस सारी नीति को हम ठीक नहीं कर सकते क्योंकि सबसिडी के आधार पर अगर यह सस्ता मिलता है तो सामान्य किसान को किस मात्रा में इसका उपयोग जमीन पर करना चाहिए, इसका अनुभव कम होता है क्योंकि दुष्परिणाम कुछ लंबे समय के बाद दिखाई देते हैं इस कारण इस सबसिडी को हम इस तरह से बांटें कि जो अनुपात चार, दो और एक का रहना चाहिए पी॰ओ॰के॰ का वह स्थापित किया जा सके और किसान को उर्वरा शक्ति को बचाए रखने का इसम स रास्ता प्राप्त हो जाए। दो रास्ते हैं, या तो वित्त मंत्री महोदय इसमें मदद करें और अन्य खाद पर भी सबसिडी देने का इंतजाम करें या फिर यूरिया की कीमत में जो सबसिडी दी जा रही है, वह घटा कर अन्य खाद पर भी सबसिडी देने की व्यवस्था करें। ताकि किसान को प्राप्त होने वाली खाद इस आधार पर प्राप्त हो सके कि वह उसका संतुलित उपयोग कर सके। मेरा इस अवसर पर मंत्रिमंडल के सदस्यों से यह आग्रह है कि सामूहिक रूप से बैठ कर इस नीति का निर्धारित करें और आयात के मामले में जितना खुलापन होगा लोगों को सन्देह करने के कम अवसर होंगे, उतना लोगों को अधिक लाभ मिलेगा।

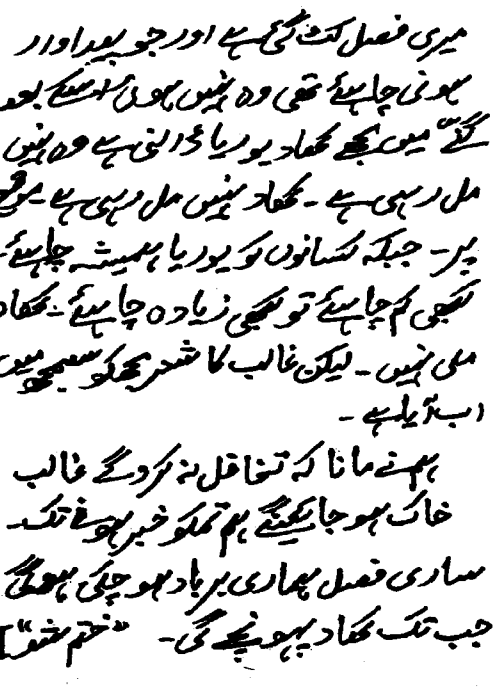
श्री मोहम्मद मसूद खान (उत्तर प्रदेश): मोहतरमा, बहुत ज्यादा टेक्नीकैलटी में न जा कर में खुद खेती करता हूं, किसान हूं और आजमगढ़ का रहने वाला हूं पूरे रबी के सीज़न में खाद नहीं मिली तो मैंने फर्टिलाइज़र मिनिस्टिर से कहा। उन्होंने कहा कि मैं पता लगाऊंगा। पता नहीं पता लगा पाए या नहीं लगा पाए मेरी फसल कट गई और जो पैदावार होनी चाहिए थी वह नहीं हुई। उसके बाद गन्ने में मुझको खाद यूरिया डालनी है वह नहीं मिल रही है। खाद नहीं मिल रही है मौके पर जबकि किसानों को यूरिया हमेशा चाहिए, कभी कम चाहिये तो कभी ज्यादा चाहिये। खाद मिली नहीं। लेकिन गालिब का शेर मुझ को समझ में अब आया है—

> हमने माना के तगाफुल न करोगे गालिब
> खाक हो जाएंगे हम तुमको खबर होने तक।

सारी फसल हमारी बरबाद हो जाएगी जब तक खाद पहुंचेगी।

†श्री मोहम्मद मसूद खां (उत्तर प्रदेश):
محترمہ - بہت زیادہ ٹیکنیکلٹی میں نہ جاکر
میں خود کھیتی کرتا ہوں - کسان ہوں اور
اعظم گڑھ کا رہنے والا ہوں - پورے ربیع
کے سیزن میں کھاد نہیں ملی تو میں نے فرٹیلائزر
منسٹر سے کہا - انھوں نے کہا کہ میں پتہ لگاؤں گا
پتہ نہیں پتہ لگائے یا نہیں لگا پائے -

† [] Transliteration in Arabic script.



उपसभाध्यक्ष (श्रीमती कमला सिन्हा): श्री ईश दत्त यादव। एक मिनट आपके लिए है।

श्री ईश दत्त यादव (उत्तर प्रदेश): महोदया, मैं आपके आदेशों का पालन करूंगा, ज्यादा समय नहीं लूंगा। श्री जयपाल रेड्डी और दूसरे माननीय सदस्यों ने सरकार का ध्यान आकर्षित किया है कि खाद के आयात में घपला हुआ है और जब घपला हुआ है तो किसानों को समय से खाद नहीं मिल सकी और खाद महंगी भी हो गई। यूरिया खेती का उत्पादन बढ़ाने के लिए सब से आवश्यक खाद होती है। सरकार ने इस ओर ध्यान नहीं दिया और किसानों को समय से खाद नहीं मिली और खाद महंगी भी खरीदनी पड़ी मैं आपके माध्यम से यहां जो मंत्रिगण बैठे है, वित्त मंत्री जी बैठे हैं, हमारे खाद्य मंत्री जी बैठे है, चिदम्बरम साहब और हमारे ऊपर सुधार मंत्री जी भी है, इन सब लोगों का संबंध में समझाता हूं कि किसान से और खेत से है।

उपसभाध्यक्ष: आप प्रश्न पूछिये, भाषण मत दीजिये।

श्री ईश दत्त यादव: मैं प्रश्न पूछ रहा हूं और समाप्त कर रहा हूं। इन लोगों से मैं अनुरोध कर रहा हूं, मांग कर रहा हूं। माननीय चिदम्बरम साहब आपकी ख्याति है। आप कई बार मंत्रिमण्डल में रहे है। मै आपका प्रशंसक हूं। आप इस पर कड़ाई करें और इसकी जांच कराएं तथा जो लोग दोषी पाए जाएं उनको आप अवश्य दंडित करने की कृपा करें। **(व्यवधान)**

SHRI S. JAIPAL REDDY: Your reputation is at stake. That's what he is telling you.

श्री ईश दत्त यादव: ताकि भविष्य में इस तरह की कोई गड़बड़ी न हो और किसानों को सही दाम पर, सही समय पर खाद की आपूर्ति हो सके। अंत में, मैं वित्त मंत्री जी से भी चाहूंगा कि किसानों के आप बड़े हमदर्द हैं लेकिन आप थोड़ी सब्सिडी बढ़ाएं उनकी ताकि किसानों को सस्ती खाद मिले, उत्पादन बढे और जब उत्पादन बढ़ेगा तभी देश तरक्की कर सकेगा। हमारे नेता थे चौधरी चरण सिंह जी जिनके नेतृत्व में हमने राजनीति शुरू की थी। स्वर्गीय चौधरी चरण ने कहा था, हमेशा कहते थे, उन्होंने किताबें भी लिखी है। एक किताब है "पावर्टी आफ इण्डिया एंड इट्स सालूशन" जिसमें उन्होंने कहा कि अगर किसी देश को खुशहाल बनाना है, आत्मनिर्भर बनाना है तो किसान के खेत की पैदाबार बढ़ाई जाए। जब तक किसान के खेत की पैदावार नहीं बढ़ाई जाएगी देश नहीं बन सकता। जब किसान बनेगा तब हिन्दुस्तान बनेगा। यह चौधरी चरण सिंह जो खुद किसान थे, उनके विचार थे। मैं चाहूंगा वित्त मंत्री जी से आप किसान के प्रति हमदर्दी बरतें और सब्सिडी बढ़ावें। आपने मुझे बोलने के लिए समय दिया, इसके लिए आपका बहुत-बहुत धन्यवाद।

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Madam, Vice-Chairman, I find from the Statement on the Calling Attention that first, the MMTC had been allowed to import some quntity. It was further extended twice. The terms put by the MMTC are totally different from the terms and conditions put by the NFL and PPCL. The NFL and PPCL failed to import urea which was allowed to them. On the same conditions on which the HFL failed to import, the MMTC was able to import. I want to know how the NFL was not able to import and the MMTC was able to import. This is a peculiar thing and we are unable to understand it. How did it happen?

Shri S. JAIPAL REDDY: The Minister is able to understand it.

SHRI S. VIDUTHALAI VIRUMBI: Then, they said that they must buy that up to September. For the second time they said that they must buy up to 31st March, 1994-95 and then the third request from the Government was made during the month of october. At that time they said that they must import it within two months. They made the second request up to March, the third request was immediate and then they went in for NFL. Why should there by such type of confusion in giving instructions to the MMTC? This is my second point. The Government very well knows that we must import in such a way that it does not help the interenational market cartel. We have to give the information in advance as to how much is our requirement. The international market enhanced not because of intrustion of Taiwan and China but because of the way in which the issue was handled. Therefore, I feel that is like the sugar scandal, not like the bank scandal. I demand a separate inquiry to know where the mistake lay. I also want to know whether it was due to the instructions issued by the Government or due to not carry out the Government instructions by the bureaucrats.

SHRI GURUDAS DAS GUPTA: You should say, "where the mischief lies."

SHRI S. VIDUTHALAI VIRUMBI: Yes, I stand corrected. Where does the mischief lie I want to know whether it was the mischief of the bureaucrats or it was done wantedly by some vested interests. I hope that the hon. Minister will respond to the points raised by me. With these words, I conclude.

SHRI P. CHIDAMBARAM: Madam, I am deeply grateful to my distinguished friend, Mr. Jaipal Reddy and other friends who have called my attention and the attention of the House to this subject and given me an opportunity to place some facts as well as clarify some doubts. I feel that I may have unintendedly made a mistake in responding to Mr. Jaipal Reddy in a manner which leads him to think that I have admitted that there is some scandal. I don't think there is anything in my statement which says or even hints that there is a scandal. I want to disabuse him of that impression first. There is no scandal, and therefore, to build a whole argument, as my learned friends, Mr. Gurudas Das Gupta has tried to build, that there is a scandal which requires investigation or like Mr. Virumbi, who concluded that this was like some other alleged scandal is, I think, allowing your imagination to run riot. There is no scandal. I have stated the essential facts in my statement, but I recognise that it is necessary to state some more facts to make things clear and I intend to do that, Madam, with your permission, in the next few minutes.

Madam, firstly the questions raised by Mr. Jaipal Reddy and some other questions which are inter-related, I would deal with them and then I will come to some specific questions which were raised by the hon. Members.

The MMTC is a commercial organisation and is entitled to exercise its judgement on how it will purchase urea. If I am the Minister-in-charge, I understand my role very clearly. It is no part of my business to tell the MMTC to do in this manner or that manner. I review the MMTC on its overall performance. If any irregularity is pointed out by anyone or if any evidence comes to my notice, I shall look into that. It is not correct to say that the MMTC always has to or should always purchase only through global tender enquiry method. In the past also, Madam, the MMTC has purchased by entering into long-term arrangements with suppliers or through spot purchases. These are the three very well-recognised methods of purchase. If commercial practice throws up another method, I would not exclude the MMTC from resorting to the method as long as resorting to one or more methods tends to bring down

prices, secures for you the required quantity of urea and brings it into the country within the stipulated time-frame. For example, take what the record in the year 1994-95 has been. Through the global enquiry method 10.2 lakh metric tonnes of urea was purchased, that is, approximately 38% of the purchases. Through long-term arrangements with producers or their sole authorised representatives, 14.86 lakh metric tonnes, approximately 50%, was purchased. Through spot purchase, 3.75 lakh metric tonnes, approximately 12%, was purchased. This, I think, is in accordance with what a commercial organisation should do at any given time. Besides, which is the best method to buy as long as the price at which you buy is competitive and you are able to contract significant quantities which will arive within the stipulated time-frame? It is not as though global tenders were not floated. I said so, global tenders have been floated, in fact, 10 global tenders have been floated. I will give you the dates. These are, 31.3.94, 22.4.94, 17.5.94, 6.6.94, 12.7.94, 12.8.94; 5.9.94 and 6.11.94, on revised terms to match NFL-PPCL terms and then go back to the old terms: 17.1.95 and 14.3.95.

SHRI S. JAIPAL REDDY: In other words, for three months no global tenders were....(*Interruptions*)....

SHRI P. CHIDAMBARAM: Which three months? I have got March, April, May, June, July, August, September, November, 1994, January and March 1995.

SHRI S. JAIPAL REDDY: From October to December ....Sorry, one second, please.

SHRI P. CHIDAMBARAM: I have got every month here.

SHRI S. JAIPAL REDDY: From 6.11.1994....

SHRI P. CHIDAMBARAM: That is why I told you, 6.11.1994 is the only tender floated to match NFL-PPCL terms and that tender was opened on 15.11.94 and it proved exactly what it was expected.

A large number of new parties with no record of performance exaggerated the quantities and everyone of them—please wait, please listen to the interesting point—failed to perform. These were the parties with suspect credentials. Not one of them performed as a result of which the MMTC has forfeited EMD of over 1.14 million dollars, bank gurantee for 2.24 million dollars, NFL forfeited, PPCL forfeited nearly 3-4 crores of rupees both under the EMD account and the bank guarantee account. The point is this that once the NFL and PPCL said that instead of one dollar per tonne, it is 15,000 dollars irrespective of quantity, people could come and offer 100 thousand tonnes at 15,000 dollars, people could offer 200 thousand tonnes for 15,000 dollars....

SHRI S. JAIPAL REDDY: All of them are PSUs.

SHRI P. CHIDAMBARAM: I beg your pardon.

SHRI GURUDAS DAS GUPTA: They are PSUs. That is precisely the question.

SHRI P. CHIDAMBARAM: That is precisely my answer.

The NFL and PPCL being new players in the market ought not to have imposed that condition.

SHRI GURUDAS DAS GUPTA: Why are they turning on this? ....(*Interruptions*)....

SHRI P. CHIDAMBARM: That is for the Ministry of Fertilisers. I am saying it was a wrong condition. And they have learnt from it; they have learnt a lesson. Nobody performed on those conditions. Not one of the bidders on that condition has been able to perform. Every contract which was successfully performed was a contract in which the bid bond was one dollar per metric tonne. In fact, I want to reiterate it. I do not apportion blame.

The NFL and PPCL are new players in the market. They have never done Urea purchase. They thought that by stipulating terms of 15,000 dollars irrespective of the quantity...

SHRI S. JAIPAL REDDY: Who asked them to do it?

SHRI GURUDAS DAS GUPTA: It is not as simple as you are saying.

SHRI P. CHIDAMBARAM: I can only say it is simple because there was no contract.

SHRI GURUDAS DAS GUPTA: This reduction on money....

SHRI P. CHIDAMBARAM: It is not reduction. It is a different term of the bid bond.

SHRI GURUDAS DAS GUPTA: Anyway, relaxation of the term, in fact, is very innocuous.

SHRI S. JAIPAL REDDY: Who authorised him to do it?

SHRI P. CHIDAMBARAM: The point is that I am now answering the point regarding the alleged unprecedented quantity tha we imported. We have not imported any unprecedented quantitiy. Please look at the Calling Attention. Thirty lakh tonnes was authorised to be imported and we imported 28 odd lakh tonnes and it has fallen slightly short of 30 lakh tonnes. We have not imported any unprecedented quantity. If you ask for my judgment whether the NFL and and PPCL were right in stipulating 15,000 dollars rather than one dollar per tonne, in my personal view, it was wrong. They ought to have stuck to the traditionally well-established bid bond condition of one dollar per metric tonne. Being new players in the market—they came to the market for the first time—they thought, perhaps very genuinely, they may have thought...

SHRIU S. VIDUTHALAI VIRUMBI: Will you tell the quantity for the last three years?

SHRI P. CHIDAMBARAM: I will give you that. I am answering some of the points. Therefore, being new players in the market perhaps they thought that 15,000 dollars as earnest money, as bid bond, was quite adequate. Now anyone in the business would know that it would only encourage a large number of new parties to come and make exaggerated bids. Now, MMTC, I think, because they have to match those terms otherwise they would not get any bids they offered one tender on that basis on 6.11.94 and opened it on 13.11.94, the results are there in my statement. Not one of those parties was able to successfully conclude the contract and we have forfeited a large amount of money. Immediately after one week, on 13.11.94, we went back to the original term of one dollar per metric tonne. I think NFL and PPCL who are now in the market, will realise that it is much better to follw the leader and stipulate one dollar per metric tonne rather than have a flat amount of money. Anybody in the business of commodities will know that if we offer a flat amout as the bid bond, people make exaggerated bids rather than realistic bids. So, that point is clear. We have done global tenders, we have purchased through global tenders and we have purchased through long-term contracts.

SHRI S. JAIPAL REDDY: What is a long-term contract?

SHRI P. CHIDAMBARAM: Long-term contracts are through the traditional sources of supply. One of them is the CIS countries and the other is the Arab Gulf. Now, these are producers or sole authorised representative of the producers, not merely authorised producer but also sole authorised representatives.

SHRI S. JAIPAL REDDY: Like Win Chadda.

SHRI P. CHIDAMBARAM: You are obsessed ....(*Interruptions*)....You are living in the past.

Madam, I have given you the figures. I think there is wisdom in entering into long-term arrangements because there is a gap of about 30 lakh tonnes between the production and supply and this gap is not going to be met or bridged in the next couple of years. Many of our fertiliser companies are sick. We need to enhance production. New companies are coming into being. There is a merit in entering into long term contracts with the CIS countries, which have enormous productioen of fertiliser. For example, the Ministers from CIS countries were here, even yesterday and a couple of weeks ago. I think they have the capacity. The Arab-Gulf area is also an established source of supply. Therefore, the MMTC has to find a mix of sources. One is through global tender, one is through long-term supplies, sometimes even through spot purchases. Please do not think that spot purchases mean that anyone can buy anything at any time. This is not possible. There are two widely published and widely used and widely circulated international weeklies which give the price of every purchase made. Nobody can enter the urea market and buy in secret. You may be able to contract in secret but the results will be known two three days later.

One publication is known as Ferticon and the other publication is known as F&B. They are rival publications. Therefore, nothing can be held back from one, they are competitive. These prices are all known. So if a good manager, if he is sharp, if he is watching the trends and if he is able to pick the right date when he can make a spot purchase for even say, two dollars less than the last contract, I would commend that manager. Now, some quantitiy is purchased through spot purchases and I would most humbly appeal to the hon. Members, don't ask me to fetter MMTC by saying that they shall only go through this route or that route. I think they should follow a mix of routes and they have followed the mix of routes and the result of that is, we have got, I believe, after I tell you the prices, at prices which are comparable. Now, I know that this kind of statement will usually be received with scepticism, that we purchase at comparable prices. I have gone back to the days when I was a student of statistics, I have plotted the purchse prices during the whole period for India, China and Vietnam. There were other buyers in the market but I have taken the major buyers. Now I find, Madam, that the Indian price compares very favourably with the Chinese price, and even more favourably with the Vietnam purchase price. Yes, for about a short period of three months China was marginally better than us by two dollars to three dollars. But then, after that our prices have been better than China's prices by as much as 8 dollars in some cases all dollars in some cases. Now this does not mean that there is a schandal at one time and no scandal at another. All that it means is that, in a competitive commodity market where other people are also buying and you are also buying large quantities, in one month your price may be one or two dollars more than the price of another country. In another month your price will be one or two dollars less. The point is, what is the trend? Over a period of a year, have you done well? Now, I am satisfied, and I would ask hon. Members to accept my statement of satisfaction. I am satisfied, after looking at every contract and after looking at Ferticon and FMB prices and after plotting it on a graph, I am satisfied that the prices which MMTC paid for the 28 lakh tonnes compares very favourably with the prices paid by China and Vietnam which were the two major buyers during this period. Madam, there were some specific questions and I will give some very brief answers. Let me start with Mr. Jaipal Reddy. What did we bring by September against the original target of 15 lakhs? Absolutely relevant question. Original target was 15 lakhs, it was revised to 11 lakhs. Against 11 lakhs, by September we brought in only 8.79

lakh UTs but by October we brought in the entire 11 lakhs. If there was a slippage, there was slippage of 30 days. But that slippage did not create such havoc in the market as Mr. Jaipal Reddy would like us to believe, because there were adequate stocks of urea from the previous year.

SHRI S. JAIPAL REDDY: Ask Mr. Ajit Singh who is a farmer's son, is sitting by your side.

SHRI P. CHIDAMBARAM: Just a moment, Just a moment. I have not completed my sentence. There were adequate stocks of fertiliser in the previous year but there were temporary shortages because MMTC did not bring in 11 lakh by Septembyer but brought it by October. I accept it, there was some slippage, there was a slippage of about 30 days in bringing the stocks, instead of September we brought it by October. But then by the end of the year we completed the target more or less substantially. Secondly, the next question was, within one week of 1.9.1994 MMTC entered into negotiations. That is not correct. As I said, mix is always there, all three routes are open always. This mix of methods was always there. It was not one week before or one week after.

SHRI S. JAIPAL REDDY: I am really confused.

SHRI P. CHIDAMBARAM: I do not want to confuse you.

SHRI S. JAIPAL REDDY: Your statement indicates that after the global tender was floated sometime on 6.11. or 7.11 or 8.11 your statement says '6.11' and , therefore, I take it as 6.11 after that only, the route of direct arrangements was pursued.

SHRI P. CHIDAMBARAM: That is not correct.

SHRI S. JAIPAL REDDY: This is what you said, by way of implication. (*Interruptions*) Because, later on, you said that the response to the global tender was not adequate.

SHRI P. CHIDAMBARAM: You are mixing up. This 6.11 is the only tender where instead of a bid bond of one dollar per tonne, they thought that they should match the NFL/PPCL condition of 15,000 dollars per bid. That turned out to be a non-starter on 13.11. They abandoned it, in fact.

SHRI S. JAIPAL REDDY: When did they pursue the route of direct negotiations?

SHRI P. CHIDAMBARAM: I am saying that all the routes were open. Before and after. All the routes were open. Right through, the mix of these three routes was open.

SHRI S. JAIPAL REDDY: Do you think this direct route is absolutely valid?

SHRI P. CHIDAMBARAM: I have said so. I said very clearly. It would not be proper on my part to fetter the M.M.T.C. and say...

SHRI S. JAIPAL REDDY: I will give you certain figures. Please hear me. Between 28.9.94...

SHRI P. CHIDAMBARAM: What is this going on?

SHRI S. JAIPAL REDDY: Between 28.9.94 and 17.11.94,. you awarded contracts for the supply of 20 lakh tonnes without referring to global tenders.

SHRI P. CHIDAMBARAM: That is not correct. I will answer your question.

SHRI S. JAIPAL REDDY: I have got all the papers with me. If you want, I can pass them on to you.

SHRI P. CHIDAMBARAM: You must have seen all the papers. Otherwise, how does it provoke this Calling-Attention Motion?

SHRI S. JAIPAL REDDY: I can read out the names of the parties to whom contracts were awarded.

SHRI P. CHIDAMBARAM: I will answer that. I have understood your question. I will answer your question. Madam, let me complete.

SHRI DIPANKAR MUKHERJEE: Why did not the leaders follow the followers?

SHRI P. CHIDAMBARAM: Because the two people who came into the market had offered 15,000 dollars. If you stuck to one dollar per tonne, nobdoy was going to make any offer to you. They, therefore, thought 'all right; let us match that offer'. But on 13th, i.e. in seven days, they found that every offer was suspect one. The NFL and PPCL found to their chagrin that they could not import a single tonne of urea during the whole year because all the offers were suspect offers. During that one week period, 9 parties offered 11 lakh tonnes, but not one of them could perform. I am saying, it is good someone learnt the lesson that you cannot give attractive terms and expect genuine offers. It is good that they learnt the lesson that everybody should stick to what the leaders terms are, traditional terms, namely, one dollar per tonne. It is good that they have learnt the lesson. These are valuable lessons that one has to learn. I am glad that they have learnt the lesson that you cannot bring down the bid bond amount and expect a genuine offer. They were all suspect offers.

SHRI GURUDAS DAS GUPTA: Is there any price difference?

SHRI P. CHIDAMBARAM: NFL and PPCL did not perform a single contract.

SHRI GURUDAS DAS GUPTA: I am asking about the price difference between global tender and direct purchase.

SHRI P. CHIDAMBARAM: In fact, long-term purchases sometimes give you advantageous prices.

SHRI S. JAIPAL REDDY: What happened in this case?

SHRI P. CHIDAMBARAM: I can analyse each contract and give you the answer.

SHRI GURUDAS DAS GUPTA: Generally, what is your assessment?

SHRI P. CHIDAMBARAM: I am saying that a mix of the three methods has given us....

SHRI S. JAIPAL REDDY: In this case, during 1994-95...

SHRI P. CHIDAMBARAM: I am talking about 1994-95...

SHRI GURUDAS DAS GUPTA: Between the two-through global tender and through direct purchase...

SHRI P. CHIDAMBARAM: Some global tender purchases are...

SHRI GURUDAS DAS GUPTA: Not the average, I understand.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Let the Minister complete, please.

SHRI P. CHIDAMBARAM: You cannot take the average for the whole year. This is a rising market. I have shown you the graph. It has risen from 137 dollars...

SHRI GURUDS DAS GUPTA: Between the two, which is the advantageous?

SHRI P. CHIDAMBARAM: There is no way I can do that. (*Interruptions*) This betrays a certain lack of understanding. How do you average the prices? You cannot average the prices. If you start from 137 dollars at the beginning of the year...

SHRI GURUDS DAS GUPTA: This is something known to you. At a particular point of time...

SHRI P. CHIDAMBARAM: You cannot do that averaging. How can you do the averaging?

SHRI GURUDAS DAS GUPTA: Not averaging. I say, at a particular point of time, between the direct purchase and through global tender...

SHRI P. CHIDAMBARAM: I have understood your question. When the price starts from 137 dollars at the beginning of the year and ends up at 253 dollars, not only for India, but for China,

for Vietnam, for everybody, it will depend on whether during the same relevant period you have gone for spot purchases.

SHRI GURUDAS DAS GUPTA: This is what I am saying.

SHRI P. CHIDAMBARAM: For that, each contrct has to be analysed. I cannot do that now.

'HRI GURUDAS DAS GUPTA: the only comparative basis.

P.CHIDAMTARAM: I am sorry. That is not the Calling-Attention. The Calling-Attention is on 'import of unprecedented quantity...'

SHRI S. JAIPAL REDDY: And also 'questionable methods'.

SHRI P. CHIDAMBARAM: That was dropped in the Calling-Attention. Please see the working of the Calling-Attention Motion.

SHRI S. JAIPAL REDDY: In the original notice I included the words 'questionable methods'.

SHRI P. CHIDAMBARAM: That is why I started by saying that I am thankful to you for dropping those words.

SHRI S. JAIPAL REDDY: I did not.

SHRI P. CHIDAMBARAM: The Calling-Attention Motion is not on any allegation in regard to prices.

SHRI GURUDAS DAS GUPTA: Madam Vice-Chairman, is it fair on the part of the Minister who is answering a Calling Attention, to look at the loopholes of the wording? ....(*Interruptions*)

SHRI S. JAIPAL REDDY: Madam, for technical reasons, sometimes some phrases are dropped by the office. ...(*Interruptions*) I have used those words. ...(*Interruptions*)

SHRI P. CHIDAMBARAM: Madam, please allow me to reply to the Calling Attention. I have not interrupted them. ... (*Interruptions*)

SHRI GURUDAS DAS GUPTA: I don't want to interrupt you. The Calling Attention arises out of public interest. ... (*Interruptions*)

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Let him conclude.

SHRI P. CHIDAMBARAM: Madam, I am giving more information than what is usually given in such a Calling Attention. I am giving so much information. If my learned friend wants me to give the average of every week and every month, it is not possible.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Mr. Minister, you also should be brief.

SHRI P. CHIDAMBARAM: I will be brief.

I am saying that the three methods are right. The three methods give us the prices which are comparable to prices which are available. If you need the average price for any particular period, I am willing to calculate the average price and to furnish the information.

The next question which Mr. Jaipal Reddy asked was about various personnel changes that were made in the MMTC. I am sorry, these are matters for the Board. I do not make any personnel changes. If my presence in the Ministry alerted them and they have made some portfolio changes, it is an internal matter of the Board. This is really not a matter for the Ministry to deal with.

SHRI S. JAIPAL REDDY: What was the context in which those wide-ranging changes were made?

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Mr. Japipal let him finish.

SHRI P. CHIDAMBARAM: It has denied that wide-ranging changes were made. The portfolios were allocated. Some subjects were re-allocated to one another. No changes were made. Nobody was transferred or sacked. He is relying

on one newspaper report which was denied. The next day's newspaper carried a rejoinder.

SHRI S. JAIPAL REDDY: Your reputation is at stake. Why do you want to attract charges?

SHRI P. CHIDAMBARAM: My reputation is intact.

SHRI V. NARAYANASAMY: Don't read THE EOCNOMIC TIMES. ... (*Interruptions*)

SHRI P. CHIDAMBARAM: Then, the question is: what is the domestic production, and what is the domestic demand? The domestic production in 1993-94 was 131.5 lakh metric tonnes; 1994-95, 141.5 lakh metric tonnes and the estimate for 1995-96 is 148 lakh metric tonnes. The domestic demand is rising at about six to seven per cent. We expect to have a gap of 30 lakh metric tonnes, and that gap, I am afraid, will remain for some more time.

Then, Madam, my learned friend asked me, again relying on a newspaper report, whether somebody had bought urea for $202. It is true, somebody bought urea in May for July-Setpmber delievery, at $202 to $206 C.&.F. The MMTC also bought it—I will not disclose the quantity because this will only disturb the market-during the same month of May for the same period of delivery at $192. What conclusions can you draw from this? It is the same C. & F. You cannot draw conclusion. It depends upon whether it is bought in a traditional market or it is bought from a new source. This is not the way in which we can run commercial organisation, We have to measures them by their overall performance, whether they fulfilled the target set for them, whether the prices were comparable to the prices prevailing during that week or during those three or four days when the contract was entered into and whether the average prices matched with the prices that other countries paid. I don't think that any inference can be drawn or anything can be suspected in these transactions.

Finally, Madam, a question was asked about how much we got on FOB basis and how much we got on C. & F. basis in 1994-95. Sixty-one per cent of the urea came on the FOB basis through transchart, through the Ministry of Surface Transport, and only 38 per cent came on the C. & F. basis after obtaining a waiver or permission from Transchart which is under the Ministry of Surface Transport and the Department of Fertilizer because it was found that the C. & F. was lower than a comparable FOB offer at that time. The bulk of urea still comes on the FOB basis. Every time we want to take the C. & F. route, we get a special permission or a waiver from Transhchart which is a chartering agency.

Madam, I submit that we have not imported any unprecedented quantity. We have imported the quantity which was authorised. In fact, we fell short by One lakh tonnes or so. The MMTC performed its duty as effectively as possible in a rising market. There may have been a slippage of about 30 days, three or four weeks in September. It was made up in October. By the end of the year the quantity was brought in at prices which are favourable, exercising commerical judgment. Madam, I would humbly submit and appeal to my hon. friends to accept my assessment of the situation. I do not find anything wrong here. It is not implied in my statement as if anything is wrong here. I think the MMTC has discharged its duty. In these matters of commodity trade it is very easy to suspect. Everything can look suspicious, but suspicion alone is not the way to run an organisation. We will keep a vigilant eye. I am keeping a vigilant eye. I will review the MMTC's or any other comparable organisation's performance every quarter and I will ensure that they remain within the established parameters, but on these transactions of 1994-95, which I have reviewed after I joined...

SHRI S. JAIPAL REDDY: What about your comparison with regard to the figures of 1993-94? How much was procured through direct negotiations and what percentage was procured through global tenders?

SHRI P. CHIDAMBARAM: Madam, I do not have the 1993-94 figures readily available. I have given the 1994-95 break-up. I will send the 1993-94 break-up to him.

SHRI S. JAIPAL REDDY: It is very important, Mr. Minister, becuase you asserted that this procedure of long-term arrangements with producers had earlier been pursued. So, we should like to have a comparative idea whether the

figures of percentages are comparable or not.

SHRI P. CHIDAMBARAM: That is why I am saying that the 1993-94 figures are not here, it is because the Calling Attention Motion did not relate to 1993-94. I gave the figures about 1994-95 in my statement itself. It is not as though I held it back and gave it to you after you asked the question. I gave it in my statement itself. For 1993-94, I will get the figures and send them to you. They are not readily available. But I want to assert that all methods of procurment are open to MMTC to exercise its commercial judgement. They have fulfilled the mandate substantially by bringing in a little over 28 lakh tonnes in 1994-95. I would request the hon. Members to accept my assessment of the situation. Everything was proper.

श्री संघ प्रिय गौतम (उत्तर प्रदेश): मंत्री जी, आपने आयात कम किया या ज्यादा किया, यह तो शब्दों की जादूगरी है। आप मुझे यह बता दीजिये कि किसानों को खाद क्यों नहीं मिल रहा है और मंहगा क्यों मिल रहा है?

SHRI P. CHIDAMBARAM: Madam, pricing of urea is not the subject of the Commerce Ministry. There is a subsidy on urea. There is a farm gate price for urea. If hon. Member wants to address a specific question or the farm gate prices or subsidy, he should ask a separate question. I am dealing with import of urea and I have told the hon. Members that the MMTC by importing 28 lakh tonnes substantially fulfilled its mandate, which was 30 lakh tonnes. (*Interruptions*)

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): I adjourn the House for lunch till 3 p.m.

The House was then adjourned for lunch at fiftyeight minutes past one of the clock.

3 P.M.

The House ressembled after lunch at two minutes past three of the clock, The Deputy Chairman *in the Chair.*

THE BUDGET (GENERAL), 1995-96—contd.

उपसभापति: श्री चिमन भाई। आप पांच मिनट बजट पर बोल लीजिए।

Then, I can ask the Minister to reply.

SHRI RAMESHWAR THAKUR (BIHAR): Madam, I have to continue my speech.

उपसभापति: आपका खत्म नहीं हुआ।

SHRI RAMESHWAR THAKUR: Madam, yesterday I was asked to continue my speech today.

THE DEPUTY CHAIRMAN: Yesterday?

SHRI RAMESHWAR THAKUR: Yes, Madam.

उपसभापति: आप कल तो थे नहीं।

Yesterday, I did not find you in the House, Thakur Saheb.

SHRI RAMESHWAR THAKUR: Madam, yesterday I had spoken but my speech was unfinished. I was asked to continue my speech today because there was some other item.

उपसभापति: फिर शाम को क्या हो गया था।